

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

APPLICATIONS OF LEGG MASON, INC., LEGG MASON FUNDS MANAGEMENT, INC.,
LEGG MASON CAPITAL MANAGEMENT, INC., AND LMM LLC FOR WAIVERS OF NRS
463.643(4) PURSUANT TO NGC REGULATIONS 16.010(14) AND 16.430

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on September 13, 2000, and before the Nevada Gaming Commission (“Commission”) on September 28, 2000, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the applications, as amended and supplemented, of Legg Mason, Inc., Legg Mason Funds Management, Inc., Legg Mason Capital Management, Inc., and LMM LLC (“Legg Mason”) for waivers of NRS 463.643(4) as an institutional investor pursuant to NGC Regulations 16.010(14) and 16.430, have been filed.

2. THAT the applications of Legg Mason for waivers of NGC Regulation 4.080(1), pursuant to NGC Regulation 4.080(3), have been filed.

3. THAT the applications of Legg Mason described herein have been filed on the basis that they are neither a commitment nor an admission of any present intent to purchase the securities of the companies for which a waiver has been requested.

4. THAT Legg Mason is hereby granted, for a period of two (2) years from the effective date of this Order, a waiver of the provisions of NRS 463.643(4), pursuant to NGC Regulations 16.010(14) and 16.430, to beneficially own not more than 15% of the total number of outstanding shares of voting securities of Acres Gaming Corporation, Aladdin Gaming Enterprises, Inc., Aladdin Gaming Holdings, LLC, Alliance Gaming Corporation, American Real Estate Partners, LP, American Wagering, Inc., Ameristar Casinos, Inc., Anchor Gaming, Aztar Corporation, Boyd Gaming Corporation, Casino Data Systems, Coast Hotels and Casinos, Inc., Coast Resorts, Inc., Eldorado Resorts LLC, Elsinore Corporation, Fitzgeralds Gaming Corporation, Greate Bay Casino Corporation, Hard Rock Hotel, Inc., Harrah's Entertainment, Inc., Harrah's Operating Company, Inc., Harvey's Casino Resorts, Innovative Gaming Corporation of America, International Game Technology, ITT Corporation, Jackpot Enterprises, Inc., Konami Co. Ltd (a Japanese company), Las Vegas Sands, Inc., London Clubs International plc (a British company), Longs Drug Stores Corporation, MGM Grand, Inc., MTR Gaming Group, Inc., Mandalay Resort Group, Mikohn Gaming Corporation, Monarch Casino & Resorts, Inc., Nevstar Gaming and Entertainment Corporation, PDS Financial Corporation, Park Place Entertainment Corporation, Paul-Son Gaming Corporation, Pinnacle Entertainment, Inc., The Resort at Summerlin, Inc., The Resort at Summerlin, Limited Partnership, Revenue Properties Company Limited, Riviera Holdings Corporation, , Santa Fe Gaming Corporation, Santa Fe Hotel Inc., Shuffle Master, Inc., Silicon Gaming, Inc., Starwood Hotels & Resorts, Starwood Hotels & Resorts Worldwide, Inc., Station Casinos, Inc., Stratosphere Corporation, The Sands Regent, Union Plaza Hotel & Casino, Inc., Venetian Casino Resort, LLC and WMS Industries, Inc. (singularly, "Corporation," collectively, "Corporations"). It is provided, however, that the foregoing waivers are expressly conditioned as follows:

a. The waivers may only be utilized for, and are limited to, Legg Mason's investment in the voting securities of the Corporations; provided however, Legg Mason may beneficially own greater than ten percent (10%) but not more than fifteen percent (15%) of the

voting securities of Corporations not prescribed herein, which are registered with the Commission as a publicly traded corporation, upon administrative approval from the Chairman of the Board or his designee.

b. Legg Mason must submit to the Board by the tenth business (10) day of each month for the preceding thirty (30) day period a listing of the percentage of all voting securities held by Legg Mason, based on the most current information available, of each Corporation in a form approved by the Chairman of the Board or his designee, the confidentiality of which shall be maintained by the Board and Commission pursuant to NRS 463.120.

c. Legg Mason must submit the following information to the Board within thirty (30) calendar days after the end of each calendar quarter, for each Corporation in which Legg Mason owns ten percent (10%) or more, the confidentiality of which shall be maintained by the Board and Commission pursuant to NRS 463.120:

(1) A certification, made under oath and under the penalty of perjury, containing the following:

(a) A statement attesting that Legg Mason holds and/or has held the voting securities of the Corporation for (a) investment purposes only, or (b) in the ordinary course of business as an institutional investor and not for the purpose of (i) causing, directly or indirectly, the election of the members of the board of directors, or (ii) affecting any change in the corporate charter, bylaws, management, policies or operations of the Corporation or any of its affiliates.

(b) A statement that Legg Mason has not exceeded the provisions of NGC Regulation 16.430(2)(a) - (e), which enumerates certain activities that are deemed to be consistent with Legg Mason's holding voting securities for investment purposes only.

(c) The name, title and telephone number of the person(s) having direct control over Legg Mason's holdings of voting securities in the Corporation.

(d) The name, title and telephone number of the persons serving on Legg Mason's Board of Directors.

(e) A statement of all complaints, arrests, indictments or convictions of any officer or director of Legg Mason regarding the rules and regulations of the Securities and Exchange Commission and any regulatory agency of any State where it conducts business, or any offense which would constitute a gross misdemeanor or felony if committed in the State of Nevada. The name, position, charge, arresting agency, and a brief description of the event must also be included in the statement.

(f) A statement indicating any change to the structure and/or operations of Legg Mason which could affect its classification as an Institutional Investor as defined by NGC Regulation 16.010(14).

(g) A statement by the signatory of the certification that he/she has the authority to sign the certification and to bind Legg Mason to the contents therein.

5. Legg Mason shall continue to maintain its previously adopted compliance program to implement and ensure Legg Mason compliance with the Nevada Gaming Control Act (the "Act"), the regulations promulgated there under (the "Regulations"), and this Order. The compliance program, as it relates to the applicable requirements of the Act and the Regulations, shall be amended at the request of the Chairman of the Board or his designee. All amendments to the compliance program shall be administratively approved by the Chairman of the Board or his designee. Legg Mason shall promptly report any appointments or resignations of any relevant compliance staff members.

6. Legg Mason shall fund and maintain with the Board a revolving fund in the total amount of \$10,000 for the purpose of funding investigative reviews by the Board for compliance with the terms and provisions of this Order or any other Orders relating to waivers of NRS 463.643(4), pursuant to NGC Regulation 16.430. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of the account for the payment of costs

and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative review of all activities of Legg Mason and its affiliated entities.

7. THAT Legg Mason is hereby granted, for a period of two (2) years from the effective date of this Order, a waiver of the provisions of NGC Regulation 4.080(1), pursuant to NGC Regulation 4.080(3), specifically and only as they relate to the waivers of NRS 463.643(4) granted to Legg Mason, pursuant to NGC Regulation 16.430, as beneficial owners of voting securities of the Corporations.

8. The Commission hereby expressly finds that the waivers herein granted are consistent with the State policies set forth in NRS 463.0129, 463.489, and 463.622 and the standards set forth in NGC Regulation 16.060.

ENTERED at Las Vegas, Nevada, this 28th day of September 2000.